

# 2019 HOUSING CONTRIBUTIONS WORKGROUP MEETING #3

Lee Center | May 2, 2019



Office of Housing  
City of Alexandria, Virginia



# TONIGHT'S AGENDA

Welcome

Introductions

HCWG Fundamentals

What We Have Heard

Non-residential to Residential Building Conversions

Senior Housing Projects

Discussion

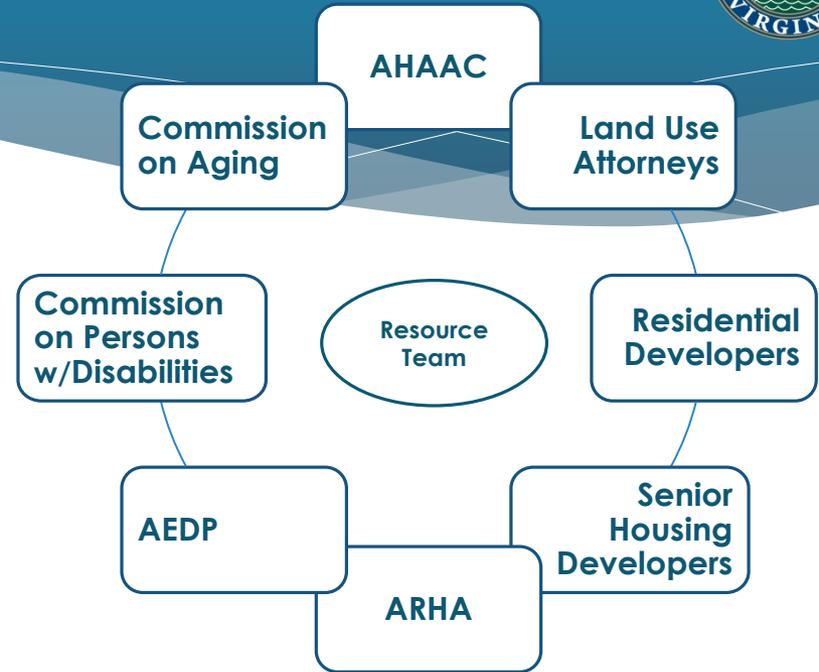
Next Steps



# HCWG FUNDAMENTALS



**PURPOSE:** Establish policy guidance regarding housing contributions for rezoning, master plan amendment, senior housing, and conversion projects



# HCWG—WHAT WE HAVE HEARD



- Importance of:
  - City Council establishing priorities for community benefits—trade offs/relief needed to provide greater affordable housing
  - Establishing clear expectations and/or goals through small area planning process
  - Setting and communicating consistent expectations so that developers can factor in cost of contribution into land value up front
- Explore other tools to incentivize affordable housing
  - E.g. tax exemption/abatement, PILOTs, TIFs, “public-utility model”
  - Consider changes to Section 7-700
    - Allow bonus height in zones with 50’ cap under certain circumstances
    - Permit application on commercial-only development in exchange for heightened contribution
    - *Note: Section 7-700 is not always practical/financially feasible if it pushes a project from stick-built to concrete/steel*

# HCWG—WHAT WE HAVE HEARD



CONT.

- No “one size fits all” contribution policy
  - Each project is different depending on community context, market dynamics, environmental/site conditions, construction type, etc
    - One option: Consider creating a menu of policy options to reflect different economic realities
  - Allow for flexibility if market/project dynamics change
    - “Certainty with flexibility”
- When estimating value of additional density, assume land value already reflects some portion of density envisioned in small area plan
  - Identify an alternate base (higher than base in existing zone) as a starting point for heightened affordable housing expectations in rezoning applications

# HCWG—WHAT WE HAVE HEARD



CONT.

- Different opinions regarding the role commercial development could play in expanding housing affordability
  - Bonus density for commercial development
  - No increased expectations = recognize the critical role commercial development plays in expanding the City's overall tax base
- There is some baseline amount every development expects to provide—have conversation early
  - Many developers are willing to brainstorm on what it would take to help expand housing affordability in their projects
- Do not charge affordable housing projects community impact fees
  - Such projects cannot afford these costs and end up having to borrow the money from the City

# CONVERSIONS & SENIOR HOUSING PROJECTS



## Conversion of Commercial Buildings to Residential Use

- Review process depends on underlying zone and requested modifications
- Other:
  - May be accompanied by a Master Plan Amendment
  - Economics of building conversions can be very different from those of new construction
  - Examples: The Oronoco, 200 Stovall Street (Eisenhower Block 6A); Park Center, and Crowne Plaza

## Senior Housing Projects

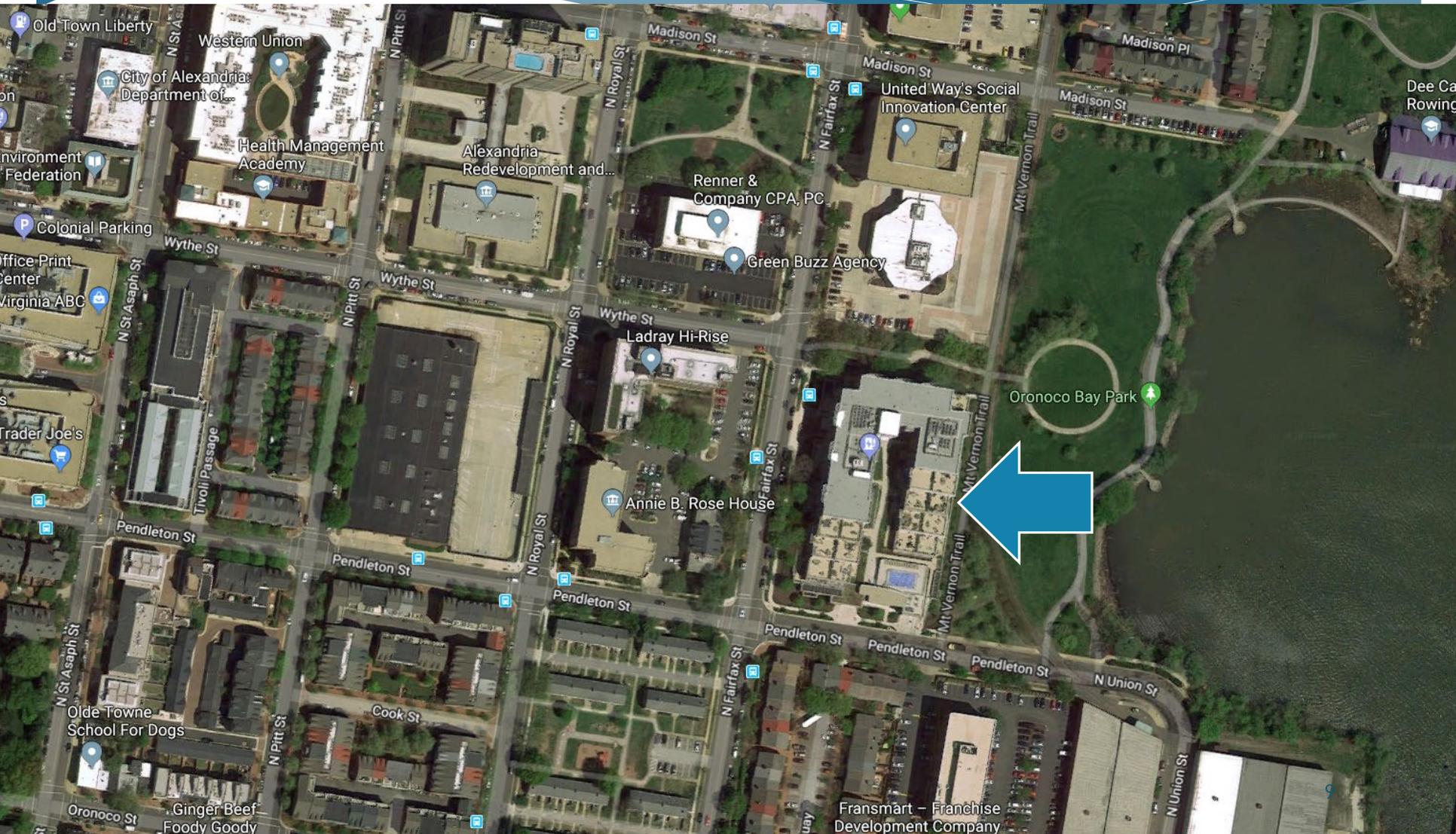
- Public review process: “Home for the elderly” allowed with a Special Use Permit
- Other:
  - May be accompanied by a Master Plan Amendment or rezoning
  - Economics of operating senior housing projects are very different due to the high cost of services
  - Examples include: Silverado, Sunrise, and Silverstone

# DEVELOPER CONSIDERATIONS— COMMERCIAL TO RESIDENTIAL BUILDING CONVERSIONS

Ken Wire, Wire Gill LLP



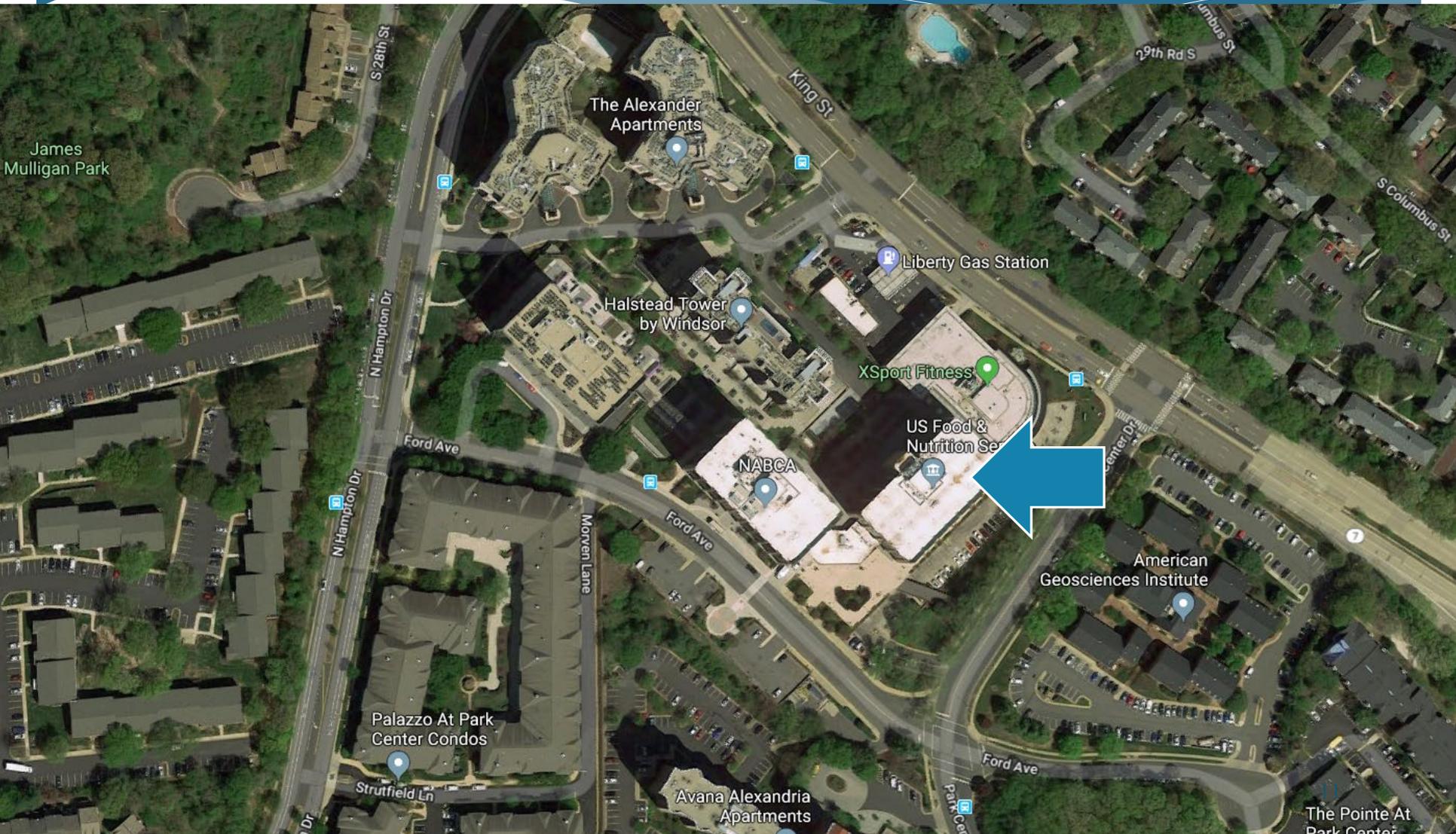
# The Oronoco



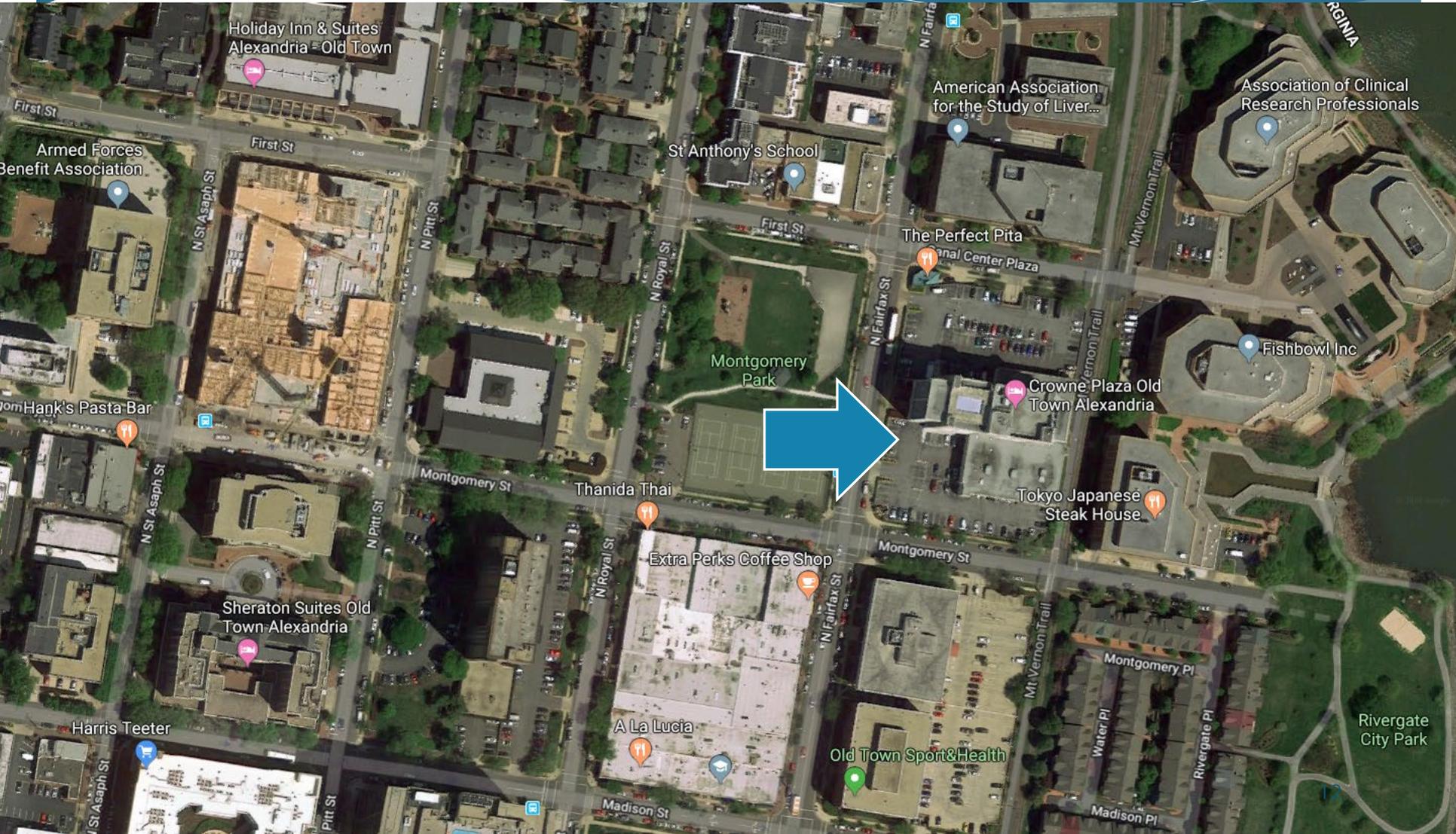
# 200 Stovall Street



# Park Center Drive



# Crowne Plaza



# AFFORDABLE SENIOR HOUSING SUPPLY AND DEMAND

Terri Lynch, Division of Aging and Adult Services, DCCHS  
Bob Eiffert, Commission on Aging



# AFFORDABLE SENIOR HOUSING SUPPLY

EXISTING

**568**

Committed affordable senior-only rental units in the City

**3**

1 auxiliary grant funded assisted living unit (Sunrise) and 2 discounted memory care units in the City (Silverado)

**10**

Units reserved units for Alexandria residents at Birmingham Green in Manassas

**+**

The Alexandria Redevelopment and Housing Authority and several other affordable housing providers provide deeply affordable housing opportunity for seniors in non-age restricted communities

**+**

**15**

*PIPELINE*

7 auxiliary grant funded units (Sunrise & Silverstone) and 6 units with Goodwin House subsidies



# AFFORDABLE SENIOR HOUSING PROGRAMS



## DCHS Senior Rent Relief Program:

- Number served depends on annual budget allocation (39\* in April 2019)
- Offers annual grants of up to \$6,000/year to low-income renters (w/combined household incomes up to \$25,600/yr) who are 65+ or permanently disabled and have no other assistance to help pay their rent
- Helps stabilize household and prevent homelessness

*\*34 non-elderly disabled individuals are also served through the Rent Relief Program*

## DCHS Homecare Services:

- Number served depends on annual budget allocation (FY19: average of 140/month)
- Contracts with two homecare agencies to provide limited homecare assistance to households w/incomes up to 50% of the Virginia median income (FY19: \$25,164/yr for a 1-person household)
- Average assistance: 24 hours/month
- Typical services: housekeeping, grocery shopping, prescription pick-up, and bathing

# AFFORDABLE SENIOR HOUSING DEMAND



**322**

**+**

**6**

**+**

**12**

**+**

**32**

Senior households (60 or above) on ARHA's voucher waitlist

Alexandrians on waitlist at Birmingham Green

Alexandrians left Northern Virginia to move into an auxiliary-grant unit

Alexandrian seniors on Rent Relief Program waitlist

Sources: Division of Aging and Adult Services, DCHS and ARHA February 2019

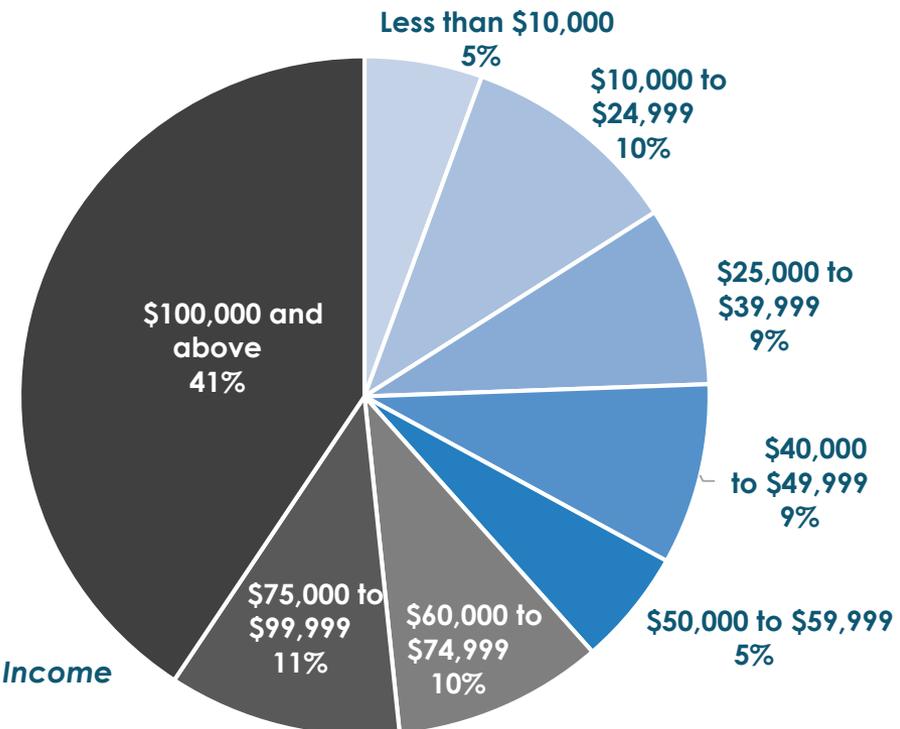
**~3,350-3,906**

Senior households (65 and above) with incomes at/below 60% AMI



**Approximately 1/3 of these households have incomes at/below 30% AMI**

Source: 2013-2017 American Community Survey 5-Year Estimates



Senior Households by Household Income

# DEVELOPER CONSIDERATIONS— SENIOR HOUSING PROJECTS

Bobby Zeiller, Silverstone



# Q&A, FEEDBACK, and NEXT STEPS

Worksession #4—May 9, 2019

AHAAC Community Public Hearing—June 6, 2019

Planning Commission Briefing—June 25, 2019

City Council Presentation—July 7, 2019

Questions?

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